



**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

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Application of Southern California Edison
Company (U 338-E) for Authorization to
Recover Costs Related to 2019 Winter Storms,
2020 Heatwaves, and 2020 Fires Recorded in
the Catastrophic Event Memorandum Account.

A.22-03-____

APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
FOR AUTHORIZATION TO RECOVER COSTS RELATED TO 2019 WINTER
STORMS, 2020 HEATWAVES, AND 2020 FIRES RECORDED IN THE
CATASTROPHIC EVENT MEMORANDUM ACCOUNT

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Dated: **March 30, 2022**

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I.

INTRODUCTION

Southern California Edison Company (SCE) respectfully files this Application requesting that the California Public Utilities Commission (CPUC or Commission) authorize SCE to recover costs recorded in SCE's Catastrophic Event Memorandum Account (CEMA) associated with the following seven catastrophic events (CEMA Events):

- 2019 Winter Storms
- 2020 August/September Heatwaves
- 2020 Apple Fire
- 2020 Sequoia Complex Fire
- 2020 Creek Fire (Transmission and Distribution)¹

¹ SCE is only seeking recovery of costs related to restoration of service and costs to repair or replace its Transmission and Distribution assets (as well as costs to comply with government agency orders, as applicable). Costs related to SCE's Generation assets will be included in a future CEMA application once SCE's insurance claims are settled.

- 2020 El Dorado Fire
- 2020 Bond Fire

With respect to the CEMA events listed above, SCE recognizes the recent Commission decision in Application A.19-07-021 (D.21-08-024), regarding firestorm events, which held that, “as part of its reasonableness review of proposed [CEMA] Wildfire costs for fires with an ignition date in 2017, *where there is evidence* that utility equipment ignited the fire for which the utility seeks cost recovery[,] it is reasonable to consider . . . whether [the utility] prudently maintained its equipment.”² With respect to the fires for which SCE seeks recovery in this Application, SCE is not aware of any findings or evidence that its equipment caused or contributed to the ignitions of these fires.

Pursuant to California Public Utilities Code Section 454.9, SCE is requesting that it recover the costs it incurred to: (1) restore service to customers, (2) repair, replace, or restore damaged facilities, and (3) comply with governmental agency orders in connection with events declared disasters by competent state or federal authorities.³

SCE is requesting that the Commission authorize a total revenue requirement of \$197.681 million, and specifically:

1. Find reasonable \$311.625 million in incremental capital expenditures and \$206.677 million in operations and maintenance (O&M) expense used as the basis for the revenue requirement recorded in SCE’s 2019-2020 CEMA Event subaccounts;
2. Authorize SCE to recover the revenue requirement associated with the applicable 2019-2020 CEMA Event subaccounts and transfer the recorded balance (O&M and capital-related revenue requirement), including interest plus franchise fees and

² D.21-08-024, p. 33 (Conclusion of Law 8) (emphasis added).

³ State of Emergency Proclamations by the Governor or declarations of disaster from the Federal Emergency Management Agency (FEMA) were issued for each of the CEMA Events. SCE has included copies of these proclamations and declarations in the Workpapers that accompany the testimony supporting this Application. Please refer to the section of the Workpapers entitled “Emergency Proclamations.”

- uncollectibles (FF&U), currently estimated to be \$197.681 million, to the distribution subaccount of the Base Revenue Requirement Balancing Account (BRRBA) for recovery in distribution rates upon a final decision in this proceeding;
3. Authorize SCE to record and transfer the annual ongoing revenue requirement, as of each December 31, for the capital expenditures approved in this Application from the CEMA Event subaccounts to the distribution subaccount of the BRRBA until the ongoing revenue requirement is included in General Rate Case (GRC) authorized rates; and
 4. Authorize SCE to recover the CEMA revenue requirement of \$197.681 million over a 12-month period.

In the supporting testimony identified as Exhibit SCE-01, Chapter I provides a general overview of the catastrophic events for which SCE is seeking recovery, including a description of the State of Emergency proclamations or disaster declarations issued by competent state and federal authorities and SCE's activations of its CEMA accounts to record costs incurred in connection with those catastrophic events. Chapter II describes SCE's operational response to the 2019 Winter Storms and 2020 August and September Heatwaves, including the actions SCE took to restore service, repair facilities, or respond to government agency orders. Chapter III describes SCE's operational response to the 2020 Fires (Apple, Sequoia Complex, Creek, El Dorado, and Bond), including the actions SCE took to restore service, repair facilities, or respond to government agency orders. Chapter IV describes the process SCE used to determine that the requested costs are CEMA-eligible, incremental, and reasonable. Chapter V presents the cost details for the O&M and capital expenditures sought in this Application. Chapter VI describes SCE's proposed ratemaking treatment and the revenue requirements SCE is seeking. Finally, Chapter VII briefly concludes the testimony.

Pursuant to Section 454.9(b) of the California Public Utilities Code, SCE requests an expedited review⁴ and approval of this Application.

II.

STATEMENT OF RELIEF SOUGHT

Through this Application and the supporting testimony, SCE requests that the Commission authorize recovery of the above-described revenue requirements in rates.

III.

BACKGROUND

A. 2019 Winter Storms and State of Emergency Proclamations

On February 21, 2019, Governor Newsom proclaimed a State of Emergency⁵ in 21 California counties due to severe winter storms beginning on January 5, 2019, when an atmospheric river system swept across California, bringing high winds, substantial precipitation, and flooding. The winter storms continued through February 12, when another significant atmospheric river system swept across California, resulting in additional widespread damage. These winter storms caused extensive snowfall, high winds, mudslides, erosion, power outages, and damage to critical infrastructure. The winter storms had a direct impact in several districts within SCE's service area, including Metro West, Ventura, and Arrowhead, causing power outages and damage to SCE facilities.

B. 2020 August and September Heatwaves and State of Emergency Proclamations

Beginning on August 16, 2020, Southern California experienced a series of extreme heat events. As a result of these heatwaves, Governor Newsom issued two State of Emergency Proclamations for Southern California:

⁴ See Cal. Pub. Util. Code § 454.9(b) ("The commission *shall* hold expedited proceedings in response to utility applications to recover costs associated with catastrophic events.") (emphasis added).

⁵ Executive Department State of California Proclamation of a State of Emergency, February 21, 2019, available at: <https://www.gov.ca.gov/wp-content/uploads/2019/02/2.21.19-Emergency-Proclamation.pdf>.

- On August 16, 2020, Governor Newsom issued an Emergency Proclamation across California due to the effects of the historic heatwave and related energy shortages.⁶
- On September 3, 2020, Governor Newsom issued an Emergency Proclamation across California due to the effects of the continuing heatwave and related energy shortages.⁷

The intense heatwave included numerous days with temperatures over 100 degrees Fahrenheit. It created dangerous heat conditions that caused power shortages and rolling blackouts. The California Independent System Operator (CAISO), which manages the state's power grid, issued flex alerts asking consumers to conserve energy on consecutive days.

C. 2020 Fires and State or Federal Emergency Proclamations

There were multiple fires throughout SCE's territory in 2020. However, in this Application, SCE is only seeking recovery for the incremental costs it incurred in restoring service to its customers, repairing, restoring or replacing its facilities, or complying with governmental agency orders in connection with the Apple, Sequoia Complex, Creek, El Dorado, and Bond fires. These fires occurred in Riverside, Tulare, Fresno, Madera, San Bernardino, and Orange counties. In the areas included in Governor Newsom's State of Emergency Proclamations and the federal disaster declarations related to these fires, the fires disrupted electric service to approximately 10,147 customers. SCE is not aware of any evidence or findings that its equipment caused or contributed to the ignition of these fires.

Table III-1 below provides general information regarding the Apple, Sequoia Complex, Creek, El Dorado, and Bond fires.

⁶ See <https://www.gov.ca.gov/wp-content/uploads/2020/08/8.16.20-Extreme-Heat-Event-proclamation.pdf>.

⁷ See <https://www.gov.ca.gov/wp-content/uploads/2020/09/9.3.20-Extreme-Heat-Event-Proclamation.pdf>.

Table III-1
Summary of 2020 Fire Events Included in Application

Fire	County	Fire Start Date	Containment Date	Acreage Burned	# of Days
Apple	Riverside and San Bernardino	7/31/2020	11/16/2020	33,424	108
Sequoia Complex	Tulare	8/19/2020	1/5/2021	174,178	139
Creek	Fresno and Madera	9/4/2020	12/24/2020	379,895	111
El Dorado	San Bernardino	9/5/2020	11/16/2020	22,744	72
Bond	Orange	12/3/2020	12/11/2020	6,686	8

1. **Overview of 2020 Firestorm Events**

a) **Apple Fire**

On July 31, 2020, the Apple Fire started burning along the east side of Yucaipa in San Bernardino county. The fire quickly spread to Riverside county and burned a total of 33,424 acres before reaching full containment on November 16, 2020. Approximately four structures were destroyed.

On August 2, 2020, the Federal Emergency Management Agency (FEMA) declared a disaster in Riverside and San Bernardino counties due to the effects of the Apple Fire.⁸

b) **Sequoia Complex Fire**

On August 19, 2020, the Sequoia Complex Fire started burning in Tulare and Inyo counties. It was a merger of the Castle and Shotgun fires, and reached 174,178 acres when it was fully contained on January 5, 2021. Approximately 94 structures were burned.

On September 13, 2020, FEMA declared a disaster in Tulare County due to the effects of the Sequoia Complex Fire.⁹

⁸ See <https://www.fema.gov/disaster/5325>.

⁹ See <https://www.fema.gov/disaster/5373>.

c) **Creek Fire**

The Creek Fire started on September 4, 2020 near Shaver Lake, California. The fire burned 379,895 acres before being fully contained on December 24, 2020, making it the largest single fire in SCE's service area.

On September 6, 2020, Governor Newsom issued an Emergency Proclamation for Fresno and Madera Counties due to the effects of the Creek Fire.¹⁰

d) **El Dorado Fire**

The El Dorado Fire began on September 5, 2020 in Yucaipa near Highway 38 in San Bernardino County. The fire burned 22,744 acres before being contained on November 16, 2020. The fire destroyed 10 structures and damaged six others.

On September 6, 2020, Governor Newsom issued an Emergency Proclamation for San Bernardino County due to the effects of the El Dorado Fire.¹¹

e) **Bond Fire**

On December 3, 2020, the Bond Fire started burning in Silverado Canyon located in Orange County. The fire burned a total of 6,684 acres before reaching full containment on December 11, 2020. Approximately 31 structures were destroyed, and another 21 structures were damaged.

On December 3, 2020, FEMA declared a disaster in Orange County due to the effects of the Bond Fire.¹²

IV.

SCE'S CEMA ACTIVATIONS

In Resolution E-3238, dated July 24, 1991, the Commission authorized SCE to establish CEMAs to record costs associated with: (1) restoring utility service to its customers; (2) repairing, replacing, or restoring damaged utility facilities; and (3) complying with

¹⁰ See <https://www.fema.gov/disaster/5348>.

¹¹ See <https://www.fema.gov/disaster/5350>.

¹² See <https://www.fema.gov/disaster/5383>.

governmental agency orders from declared disasters. SCE sets out below the details of each CEMA activation for the events covered by this Application.

On September 15, 2020, SCE notified the Commission's Executive Director by letter that SCE had activated its CEMA for the 2020 Creek and El Dorado Fires, effective September 4, 2020, to record the expenses SCE incurred "to restore service to customers and repair damage to its facilities from the recent Creek Fire in Fresno and Madera Counties and the El Dorado Fire in San Bernardino County within its service territory." Upon submitting the letter, SCE recorded its costs to restore service to its customers and repair damage to its facilities in its 2020 CEMA.

On September 15, 2020, SCE notified the Commission's Executive Director by letter that SCE had activated its CEMA for the 2020 extreme heatwave events, effective August 16, 2020, to record the expenses SCE incurred "to restore service to customers and repair damage to its facilities from the recent extreme heat events across California." Upon submitting the letter, SCE recorded its costs to restore service to its customers and comply with government agency orders in its 2020 CEMA.

On October 15, 2020, SCE notified the Commission's Executive Director by letter that SCE had activated its CEMA for the 2020 Sequoia Complex Fire, effective August 19, 2020, to record the expenses SCE incurred "to restore service to customers and repair damage to its facilities from the recent Sequoia Complex Fire in Tulare County within its service territory." Upon submitting the letter, SCE recorded its costs to restore service to its customers and repair damage to its facilities in its 2020 CEMA.

On March 4, 2021, SCE notified the Commission's Executive Director by letter that SCE had activated its CEMA for the 2020 Apple Fire, effective July 31, 2020, to record the expenses SCE incurred "to restore service to customers and repair damage to its facilities from the recent Apple Fire in Riverside and San Bernardino Counties within its service territory." Upon submitting the letter, SCE recorded its costs to restore service to its customers and repair damage to its facilities in its 2020 CEMA.

On November 24, 2021, SCE notified the Commission’s Executive Director by letter that SCE had activated its CEMA for the 2020 Bond Fire, effective December 3, 2020, to record the expenses SCE incurred “to restore service to customers and repair damage to its facilities from the recent Bond Fire in Orange County within its service territory.” Upon submitting the letter, SCE recorded its costs to restore service to its customers and repair damage to its facilities in its 2020 CEMA.

On December 20, 2021, SCE notified the Commission’s Executive Director by letter that SCE had activated its CEMA for the January and February 2019 winter storms that caused flooding, mudslides, erosion, power outages, and damages to critical infrastructure, effective January 5, 2019, to record the expenses SCE incurred “to restore service to customers and repair damage to its facilities from the winter storms events across California, including within SCE’s service territory.” Upon submitting the letter, SCE recorded its costs to restore service to its customers and repair damage to its facilities in its 2019 CEMA.

V.

PROCEDURAL REQUIREMENTS

A. Statutory and Other Authority – Rule 2.1

Rule 2.1 requires that all applications: (1) clearly and concisely state the authorization or relief sought; (2) cite the statutory provision or other authority under which that relief is sought; and (3) be verified by the applicant. Rules 2.1(a), 2.1(b), and 2.1(c) set forth further requirements that are addressed separately below. The relief being sought is summarized above in Sections I and II, and is further described in the testimony preliminarily identified as follows:

- Exhibit SCE-01, entitled *Prepared Testimony in Support of Southern California Edison Company’s Application for Authorization to Recover Costs Related to 2019 Winter Storms, 2020 Heatwaves, and 2020 Fires Recorded in the Catastrophic Event Memorandum Account*.

This Application is made with respect to CEMA events pursuant to California Public Utilities Code Sections 451, 454.9, 701, and 729, Commission Resolution E-3238, the

Commission's Rules of Practice and Procedure, and the prior decisions, orders, and resolutions of the State and the Commission as referenced above in the background in Section III.

B. Legal Name and Principal Place of Business – Rule 2.1(a)

SCE's full legal name is Southern California Edison Company. SCE is a corporation organized and existing under the laws of the State of California, and is primarily engaged in the business of generating, purchasing, transmitting, distributing, and selling electric energy for light, heat, and power in portions of central and southern California as a public utility subject to the jurisdiction of the California Public Utilities Commission. SCE's properties, which are located primarily within the State of California, consist mainly of hydroelectric and thermal electric generating plants, together with transmission and distribution lines and other property necessary in connection with its business. The location of SCE's principal place of business is 2244 Walnut Grove Avenue, Rosemead, California, 91770.

C. Correspondence – Rule 2.1(b)

Correspondence or communication regarding this Application should be addressed to:

Julia Mosel Senior Attorney Southern California Edison Company P.O. Box 800 2244 Walnut Grove Avenue Rosemead, California 91770 Telephone: (626) 302-6789 E-mail: Julia.Mosel@sce.com	Case Administration Southern California Edison Company Post Office Box 800 8631 Rush Street Rosemead, California 91770 Telephone: (626) 302-0449 E-mail: Case.Admin@sce.com
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D. Proposed Categorization, Need For Hearings, Issues To Be Considered, Procedural Schedule – Rule 2.1(c)

1. Proposed Categorization

SCE proposes that this Application be categorized as a rate-setting proceeding pursuant to Commission Rules of Practice and Procedure 1.3(g) and 7.1(e)(2).

2. Need for Hearings

SCE does not believe that evidentiary hearings are needed. The need for hearings and the issues to be considered in such hearings will depend in large part on the degree to which other parties contest SCE's request, and the need for hearings will ultimately be determined by the assigned Administrative Law Judge(s). SCE's proposed procedural schedule includes time allotted for evidentiary hearings, should they be required.

3. Issues to Be Considered

The issue presented in this Application is:

- Should the Commission authorize SCE to recover approximately \$197.681 million for the revenue requirements associated with SCE's incurred incremental O&M expenses and capital expenditures associated with: (1) the 2019 Winter Storms, (2) the 2020 August and September Heatwaves, and (3) the 2020 Fires (Apple, Sequoia Complex, Creek, El Dorado, and Bond)?

4. Procedural Schedule Rule 2.1(c)

SCE proposes the following schedule that provides for the expedited treatment of this Application by the Commission in accordance with California Public Utilities Code Section 454.9(b):

Application Filed:	March 30, 2022
Protests and Responses:	April 29, 2022
Reply to Protests and Responses:	May 9, 2022
Prehearing Conference:	May 18, 2022
PAO and Intervenor Testimony:	August 18, 2022
Rebuttal Testimony:	September 19, 2022
Evidentiary Hearings (if necessary):	October 12-14, 2022
Opening Briefs:	November 14, 2022
Reply Briefs:	November 28, 2022

ALJ Proposed Decision:	January 6, 2023
Opening Comments on Proposed Decision:	January 26, 2023
Reply Comments on Proposed Decision:	January 31, 2023
Commission Decision:	February 21, 2023

E. Safety – Rule 2.1(c)

Pursuant to Rule 2.1(c), this Application must address “relevant safety considerations.” SCE does not view this Application as presenting any safety consideration, as it requests only cost recovery associated with CEMA events. SCE notes that the types of CEMA events at issue, including wildfires, are among California’s foremost public safety issues, and utility efforts to timely respond to CEMA events are in the best interest of customers.

F. Organization and Qualification to Transact Business – Rule 2.2

In compliance with Rule 2.2,¹³ a copy of SCE’s Certificate of Restated Articles of Incorporation, effective on March 2, 2006, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 14, 2006, in connection with Application No. 06-03-020, and is incorporated herein by this reference pursuant to Rule 2.2 of the Commission’s Rules of Practice and Procedure.

A copy of SCE’s Certificate of Determination of Preferences of the Series D Preference Stock filed with the California Secretary of State on March 7, 2011, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2011, in connection with Application No. 11-04-001, and is incorporated herein by this reference.

A copy of SCE’s Certificate of Determination of Preferences of the Series E Preference Stock filed with the California Secretary of State on January 12, 2012, and a copy of SCE’s Certificate of Increase in Authorized Shares of the Series E Preference Stock filed with the

¹³ Rule 2.2 requires the applicant to submit a copy of its organizing documents and evidence of its qualification to transact business in California, or to refer to that documentation if previously filed with the Commission.

California Secretary of State on January 31, 2012, and presently in effect, certified by the California Secretary of State, were filed with the Commission on March 5, 2012, in connection with Application No. 12-03-004, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series F Preference Stock filed with the California Secretary of State on May 14, 2012, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 29, 2012, in connection with Application No. 12-06-017, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series G Preference Stock filed with the California Secretary of State on January 24, 2013, and presently in effect, certified by the California Secretary of State, was filed with the Commission on January 31, 2013, in connection with Application No. 13-01-016, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series H Preference Stock filed with the California Secretary of State on February 28, 2014, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 24, 2014, in connection with Application No. 14-03-013, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series J Preference Stock filed with the California Secretary of State on August 19, 2015, and presently in effect, certified by the California Secretary of State was filed with the Commission on October 2, 2015, in connection with Application No. 15-10-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series K Preference Stock filed with the California Secretary of State on March 2, 2016, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2016, in connection with Application No. 16-04-001, and is incorporated herein by this reference.

A copy of SCE's Certificate of Determination of Preferences of the Series L Preference Stock filed with the California Secretary of State on June 20, 2017, and presently in effect,

certified by the California Secretary of State, was filed with the Commission on June 30, 2017, in connection with Application No. 17-06-030, and is incorporated herein by this reference.

Copies of SCE's latest Annual Report to Shareholders and Edison International's latest proxy statement sent to its stockholders has been filed with the Commission with a letter of transmittal dated March 18, 2022, pursuant to General Order Nos. 65-A and 104-A of the Commission.

G. Balance Sheet and Income Statement – Rule 3.2(a)(1)

Appendix A to this Application contains copies of SCE's Balance Sheet and Income Statement for the period ending December 31, 2021, the most recent period available.

H. Statement of Presently Effective and Proposed Rates – Rules 3.2(a)(2) and 3.2(a)(3)

A statement of SCE's proposed ratemaking is included here and is found in the testimony served in support of this Application. That testimony has been preliminarily marked for identification as Exhibit SCE-01.

1. Summary of Proposed Ratemaking – CEMA

This section presents SCE's proposed ratemaking treatment for recovering the revenue requirements associated with SCE's reasonably incurred incremental O&M expenses, capital expenditures, and capital-related expenses associated with: (1) the 2019 Winter Storms, (2) the 2020 Heatwaves, and (3) the 2020 Fires. SCE's incremental O&M expenses and the revenue requirements associated with the incremental capital expenditures and capital-related expenses related to the 2019-2020 events are recorded in the CEMA in separate sub-accounts. SCE asks that the Commission find that:

- Incremental capital expenditures of \$7.575 million associated with the revenue requirements recorded in SCE's 2019 CEMA (2019 Winter Storms) through February 28, 2022, as justified in SCE's testimony, are reasonable.
- SCE is authorized to continue to record the monthly capital-related revenue requirement (i.e., depreciation expense, return on rate base, and related taxes) in the 2019 CEMA capital costs subaccounts, and transfer the total recorded

balance, including interest plus FF&U, currently at \$1.007 million, to the distribution sub-account of the BRRBA for recovery in distribution rates, upon the effective date of a final Commission decision in this proceeding.

- Incremental O&M expenses of \$206.676 million and incremental capital expenditures of \$304.049 million associated with the revenue requirements recorded in SCE's 2020 CEMA (2020 Heatwaves and 2020 Apple, Sequoia Complex, Creek, El Dorado, and Bond Fires) through February 28, 2022, as justified in SCE's testimony, are reasonable.
- SCE is authorized to continue to record the monthly capital-related revenue requirement (i.e., depreciation expense, return on rate base, and related taxes) in the 2020 CEMA capital costs subaccounts, continue to accrue interest on the O&M recorded balance, and transfer the total recorded balance, including interest plus FF&U, currently estimated to be \$196.674 million, to the distribution sub-account of the BRRBA for recovery in distribution rates, upon the effective date of a final Commission decision in this proceeding.
- SCE is authorized to record and transfer the annual ongoing revenue requirement, as of each December 31, for the approved capital expenditures from the CEMA to the distribution subaccount of the BRRBA until the ongoing revenue requirement is included in GRC authorized rates.
- SCE is authorized to recover the CEMA revenue requirement of \$197.681 million over a standard 12-month cost recovery period.

Table V-2 below summarizes SCE's 2019 CEMA Event revenue requirement recovery request in this Application.

Table V-2
2019 CEMA Event
Revenue Requirements as of February 28, 2022

Line No.	Item Description	2019 Winter Storm	Total 2019 CEMA Events - Rev Req
1	O&M Expense	\$ -	\$ -
2	Capital Related Revenue Requirement		
3	Depreciation	\$ 333,919	\$ 333,919
4	Income Taxes	\$ (232,483)	\$ (232,483)
5	Property Taxes	\$ 39,441	\$ 39,441
6	Return	\$ 856,315	\$ 856,315
7	Total Capital Related Revenue Requirement	\$ 997,192	\$ 997,192
8	Total Capital Related Expense	\$ 997,192	\$ 997,192
9	Subtotal	\$ 997,192	\$ 997,192
10	Interest	\$ (1,049)	\$ (1,049)
11	Subtotal	\$ (1,049)	\$ (1,049)
12	Franchise Fees & Uncollectibles	\$ 11,128	\$ 11,128
13	Total Revenue Requirement	\$ 1,007,270	\$ 1,007,270

Table V-3 below summarizes SCE's 2020 CEMA Event revenue requirement recovery request in this Application.

Table V-3
2020 CEMA Events
Revenue Requirements as of February 28, 2022

Line No.	Item Description	Sequoia Complex Firestorm	Creek Firestorm	El Dorado Firestorm	Apple Firestorm	Bond Firestorm	Aug. / Sept. 2020 Heatwaves	Total 2020 CEMA Events
1	O&M Expense	\$ 5,829,362	\$ 192,042,665	\$ 217,371	\$ 7,658,986	\$ -	\$ 928,487	\$ 206,676,870
2	Capital Related Revenue Requirement							
3	Depreciation	\$ 1,935,261	\$ 5,763,957	\$ 422,450	\$ 645,632	\$ 49,478	\$ -	\$ 8,816,777
4	Income Taxes	\$ (23,901,688)	\$ (12,687,496)	\$ (2,064,308)	\$ (3,363,507)	\$ (325,846)	\$ -	\$ (42,342,844)
5	Property Taxes	\$ 258,020	\$ 292,213	\$ 10,962	\$ 108,792	\$ 1,445	\$ -	\$ 671,433
6	Return	\$ 6,493,915	\$ 11,820,173	\$ 792,602	\$ 1,276,033	\$ 86,938	\$ -	\$ 20,469,662
7	Total Capital Related Revenue Requirement	\$ (15,214,491)	\$ 5,188,847	\$ (838,294)	\$ (1,333,050)	\$ (187,985)	\$ -	\$ (12,384,973)
8	Total Capital Related Expense	\$ (15,214,491)	\$ 5,188,847	\$ (838,294)	\$ (1,333,050)	\$ (187,985)	\$ -	\$ (12,384,973)
9	Subtotal	\$ (9,385,130)	\$ 197,231,512	\$ (620,923)	\$ 6,325,936	\$ (187,985)	\$ 928,487	\$ 194,291,897
10	Interest	\$ (8,100)	\$ 211,240	\$ (644)	\$ 6,120	\$ (52)	\$ 827	\$ 209,392
11	Subtotal	\$ (8,100)	\$ 211,240	\$ (644)	\$ 6,120	\$ (52)	\$ 827	\$ 209,392
12	Franchise Fees & Uncollectibles	\$ (104,932)	\$ 2,205,633	\$ (6,944)	\$ 70,735	\$ (2,101)	\$ 10,381	\$ 2,172,774
13	Total Revenue Requirement	\$ (9,498,161)	\$ 199,648,384	\$ (628,510)	\$ 6,402,791	\$ (190,137)	\$ 939,696	\$ 196,674,062

I. Description of SCE's Service Territory and Utility System – Rule 3.2(a)(4)

Because this Application is not a GRC application, this requirement is not applicable.

J. Summary of Earnings – Rule 3.2(a)(5)

In compliance with Rule 3.2(a)(5), Appendix B hereto contains a copy of SCE's summary of earnings for the periods upon which SCE basis its justification for an increase in rates.

K. Depreciation – Rule 3.2(a)(7)

Because this Application is not a GRC application, this requirement is not applicable.

L. Capital Stock and Proxy Statement – Rule 3.2(a)(8)

Because this Application is not a GRC application, this requirement is not applicable.

M. Statement Regarding Type of Increase – 3.2(a)(10)

SCE's application requests authorization to recover certain O&M expenses and to add certain capital expenditures to rate base. With respect to the capital expenditures, the requested rate base additions would earn a return on, as well as a return of, capital. In that sense, SCE's request in this proceeding is not limited to passing through to customers "only increased costs to the corporation for the services or commodities furnished by it."

N. Service of Notice – Rule 3.2(b), (c), (d), and (e)

As required by Rule 3.2(b), a notice stating in general terms the proposed rate change will be mailed to the designated officials of the State of California, and the cities and counties affected by the rate increase proposed in this Application as listed in Appendix C hereto.

Pursuant to Rule 3.2(c), notice will be published in a newspaper of general circulation in each county in SCE's service territory within which the rate changes would be effective. A listing of the cities and counties affected by the rate increase proposed in this Application is shown in Appendix C hereto.

Finally, pursuant to Rule 3.2(d), notice will be furnished to customers affected by the potential rate changes proposed in this Application by including such notice with the regular bills mailed to those customers who receive paper bills and by electronically linking to such notice for customers that receive their bills electronically. SCE has reviewed a draft of its proposed customer notice with the Commission's Public Advisor's Office.

O. Index of Exhibits and Appendices to This Application

SCE's submissions in support of this Application include the following, which are incorporated herein by reference:

Appendices to Application

Appendix A:	Balance Sheet and Income Statement
Appendix B:	Summary of Earnings
Appendix C:	List of Cities and Counties

Exhibits to Application

Exhibit SCE-01:	Prepared Testimony in Support of Southern California Edison Company's Application for Authorization to Recover Costs Related to 2019 Winter Storms, 2020 Heatwaves, and 2020 Fires Recorded in the Catastrophic Event Memorandum Account.
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P. Service List

The official service list has not yet been established in this new proceeding. SCE is serving this Application and supporting testimony on the service lists established by the Commission for (1) SCE's prior CEMA Application, A.21-09-019, (2) SCE's Test Year 2018 GRC, A.16-09-001, and (3) SCE's Test Year 2021 GRC, A.19-08-013.

VI.

CONCLUSION

SCE respectfully requests an expeditious review of this Application. SCE asks that the Commission approve SCE's requests as outlined in the Application and supporting testimony, and that the Commission render findings of fact and conclusions of law and issue orders consistent with the materials that accompany the Application.

Respectfully submitted,

CLAIRE E. TORCHIA
JULIA A. MOSEL

/s/ Julia A. Mosel

By: Julia A. Mosel

Attorney for
SOUTHERN CALIFORNIA EDISON COMPANY

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March 30, 2022

VERIFICATION

I, Jill C. Anderson, declare and state:

I am an Officer and the Executive Vice President of Operations of Southern California Edison Company. Pursuant to Rule 2.1 and Rule 1.11 of the Rules of Practice and Procedure of the CPUC, I am authorized to make this Verification on its behalf. I am informed and believe that the matters stated in the foregoing pleading are true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on March 30, 2022 at Rosemead, California.

/s/Jill C. Anderson

Jill C. Anderson
Executive Vice President, Operations
Southern California Edison Company

Appendix A

Balance Sheet and Income Statement

SOUTHERN CALIFORNIA EDISON COMPANY

(h) A balance sheet as of the latest available date, together with an income statement covering the period from close of last year for which an annual report has been filed with the Commission to the date of the balance sheet attached to the application.

STATEMENT OF INCOME
TWELVE MONTHS ENDED DECEMBER 31, 2021

(In millions)

OPERATING REVENUE	<u>\$ 14,874</u>
OPERATING EXPENSES:	
Purchase power and fuel	5,540
Operation and maintenance	3,588
Wildfire-related claims, net of insurance recoveries	1,276
Wildfire Insurance Fund expense	215
Depreciation and amortization	2,216
Property and other taxes	462
Impairment and other expense	69
Other operating income	(2)
Total operating expenses	<u>13,364</u>
OPERATING INCOME	1,510
Interest expense	(791)
Other income	233
INCOME BEFORE TAXES	<u>952</u>
Income tax expense	17
NET INCOME	<u>935</u>
Less: Preferred and preference stock dividend requirements	<u>106</u>
NET INCOME AVAILABLE FOR COMMON STOCK	<u><u>\$ 829</u></u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
DECEMBER 31, 2021
ASSETS
(in millions)

UTILITY PLANT:

Utility plant, at original cost	\$ 57,714
Less- accumulated provision for depreciation and amortization	11,407
	<hr/> 46,307
Construction work in progress	4,067
Nuclear fuel, at amortized cost	123
	<hr/> 50,497

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$88	196
Nuclear decommissioning trusts	4,870
Other investments	34
	<hr/> 5,100

CURRENT ASSETS:

Cash and cash equivalents	279
Receivables, less allowances of \$193 for uncollectible accounts	1,393
Accrued unbilled revenue	794
Inventory	420
Prepaid expenses	257
Regulatory assets	1,778
Wildfire insurance fund contributions	204
Other current assets	222
	<hr/> 5,347

DEFERRED CHARGES:

Receivables, less allowance of \$116 for uncollectible accounts	122
Regulatory assets (Includes \$325 related to VIEs)	7,660
Wildfire insurance fund contributions	2,359
Operating lease right-of-use assets	1,925
Long-term insurance receivables	75
Other long-term assets	1,453
	<hr/> 13,594

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET
DECEMBER 31, 2021
CAPITALIZATION AND LIABILITIES
(in millions)

CAPITALIZATION:

Common stock	\$ 2,168
Additional paid-in capital	7,033
Accumulated other comprehensive loss	(32)
Retained earnings	8,721
Common shareholder's equity	<u>17,890</u>
Long-term debt (Includes \$314 related to VIEs)	21,733
Preference stock	1,945
Total capitalization	<u>41,568</u>

CURRENT LIABILITIES:

Short-term debt	2,354
Current portion of long-term debt	377
Accounts payable	1,999
Wildfire-related claims	131
Customer deposits	193
Regulatory liabilities	603
Current portion of operating lease liabilities	582
Other current liabilities	1,631
	<u>7,870</u>

DEFERRED CREDITS:

Deferred income taxes and credits	7,181
Pensions and benefits	111
Asset retirement obligations	2,772
Regulatory liabilities	8,981
Operating lease liabilities	1,343
Wildfire-related claims	1,733
Other deferred credits and other long-term liabilities	2,979
	<u>25,100</u>

Appendix B

Summary of Earnings 2019 through 2022

Southern California Edison Summary of Earnings 2019 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	5,450,078
2.	Expenses:	
3.	Operation & Maintenance	1,782,064
4.	Depreciation	1,656,842
5.	Taxes	385,785
6.	Revenue Credits	(155,758)
7.	Total Expenses	3,648,934
8.	Net Operating Revenue	1,801,144
9.	Rate Base	24,196,721
10.	Rate of Return	7.44%

Southern California Edison Summary of Earnings 2020 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	5,897,522
2.	Expenses:	
3.	Operation & Maintenance	1,834,791
4.	Depreciation	1,759,130
5.	Taxes	497,719
6.	Revenue Credits	(158,686)
7.	Total Expenses	3,932,975
8.	Net Operating Revenue	1,964,547
9.	Rate Base	26,104,024
10.	Rate of Return	7.53%

Southern California Edison Summary of Earnings 2021 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	6,874,110
2.	Expenses:	
3.	Operation & Maintenance	2,391,587
4.	Depreciation	1,902,940
5.	Taxes	595,277
6.	Revenue Credits	(162,794)
7.	Total Expenses	4,727,010
8.	Net Operating Revenue	2,147,100
9.	Rate Base	27,982,268
10.	Rate of Return	7.67%

Southern California Edison Summary of Earnings 2022 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	Base Revenues	7,257,059
2.	Expenses:	
3.	Operation & Maintenance	2,445,365
4.	Depreciation	2,011,977
5.	Taxes	664,156
6.	Revenue Credits	(163,463)
7.	Total Expenses	4,958,036
8.	Net Operating Revenue	2,299,023
9.	Rate Base	29,956,578
10.	Rate of Return	7.67%

Appendix C

List of Cities and Counties

INCORPORATED CITIES AND COUNTIES SERVED BY SCE

COUNTIES

Fresno	Kern	Madera	Riverside	Tuolumne
Imperial	Kings	Mono	San Bernardino	Tulare
Inyo	Los Angeles	Orange	Santa Barbara	Ventura

CITIES

Adelanto	Commerce	Hesperia	Lynwood	Porterville	Tehachapi
Agoura Hills	Compton	Hidden Hills	Malibu	Rancho Cucamonga	Temecula
Alhambra	Corona	Highland	Mammoth Lakes	Rancho Mirage	Temple City
Aliso Viejo	Costa Mesa	Huntington Beach	Manhattan Beach	Rancho Palos Verdes	Thousand Oaks
Apple Valley	Covina	Huntington Park	Maywood	Rancho Santa Margarita	Torrance
Arcadia	Cudahy	Indian Wells	McFarland	Redlands	Tulare
Artesia	Culver City	Industry	Menifee	Redondo Beach	Tustin
Avalon	Cypress	Inglewood	Mission Viejo	Rialto	Twentynine Palms
Baldwin Park	Delano	Irvine	Monrovia	Ridgecrest	Upland
Barstow	Desert Hot Springs	Irwindale	Montclair	Rolling Hills	Ventura
Beaumont	Diamond Bar	Jurupa Valley	Montebello	Rolling Hills Estates	Victorville
Bell	Downey	La Canada Flintridge	Monterey Park	Rosemead	Villa Park
Bell Gardens	Duarte	La Habra	Moorpark	San Bernardino	Visalia
Bellflower	Eastvale	La Habra Heights	Moreno Valley	San Dimas	Walnut
Beverly Hills	El Monte	La Mirada	Murrieta	San Fernando	West Covina
Bishop	El Segundo	La Palma	Newport Beach	San Gabriel	West Hollywood
Blythe	Exeter	La Puente	Norco	San Jacinto	Westlake Village
Bradbury	Farmersville	La Verne	Norwalk	San Marino	Westminster
Brea	Fillmore	Laguna Beach	Ojai	Santa Ana	Whittier
Buena Park	Fontana	Laguna Hills	Ontario	Santa Barbara	Wildomar
Calabasas	Fountain Valley	Laguna Niguel	Orange	Santa Clarita	Woodlake (Three Rivers)
California City	Fullerton	Laguna Woods	Oxnard	Santa Fe Springs	Ventura
Calimesa	Garden Grove	Lake Elsinore	Palm Desert	Santa Monica	Yorba Linda
Camarillo	Gardena	Lake Forest	Palm Springs	Santa Paula	Yucaipa
Canyon Lake	Glendora	Lakewood	Palmdale	Seal Beach	Yucca Valley
Carpinteria	Goleta	Lancaster	Palos Verdes Estates	Sierra Madre	
Carson	Grand Terrace	Lawndale	Paramount	Signal Hill	
Cathedral City	Hanford	Lindsay	Perris	Simi Valley	
Cerritos	Hawaiian Gardens	Loma Linda	Pico Rivera	South El Monte	
Chino	Hawthorne	Lomita	Placentia	South Gate	
Chino Hills	Hemet	Long Beach	Pomona	South Pasadena	
Claremont	Hermosa Beach	Los Alamitos	Port Hueneme	Stanton	